

Houston Area Employment Situation

February 2024

CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

Amazingly Typical for This Time of Year

Total Nonfarm

Over-the-month Change

Houston MSA Total Nonfarm employment stood at 3,418,800 in February, up 24,600 jobs over the month, or 0.7 percent on a not-seasonally-adjusted basis (see Chart 1). A year ago Houston registered an over-the-month increase of 31,300 jobs. Between the Shale Bust and prior to the pandemic, Total Nonfarm has averaged 33,000 jobs each February, which indicates that this month's gains are moderately below that range. Not-seasonally adjusted February data tends to exaggerate over-the-month job growth each year due to seasonal job losses in January. As a result gains in most sectors and Total Nonfarm employment should be viewed with caution. It is recommended to compare to all previous Februaries to determine if "growth" is in line with historical trends.

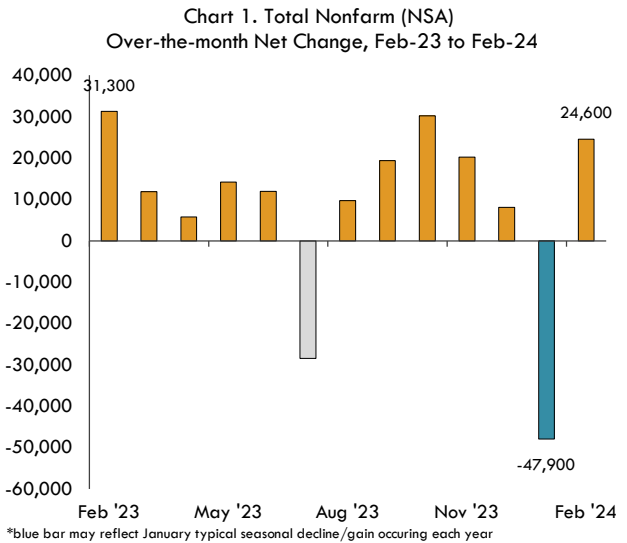
The primary drivers of this February's growth were increases in Government; Professional and Business Services; and Construction. Gains were also recorded in Private Education and Health Services; Leisure and Hospitality; and Manufacturing. The net increase in jobs over the month was partially offset by losses in Trade, Transportation, and Utilities; Mining and Logging; and Information. (see Chart 2). Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,432,600, up 6,900 jobs over the month, or 0.2 percent vs. a historical average of 8,500 between the Shale Bust and pandemic. All analysis pertains to not-seasonally adjusted data unless otherwise noted. Data source: BLS/TWC.

Top-3 Drivers of Over-the-month Job Growth in February

- Government: 7,000
- Professional and Business Services: 5,400
- Construction: 4,500

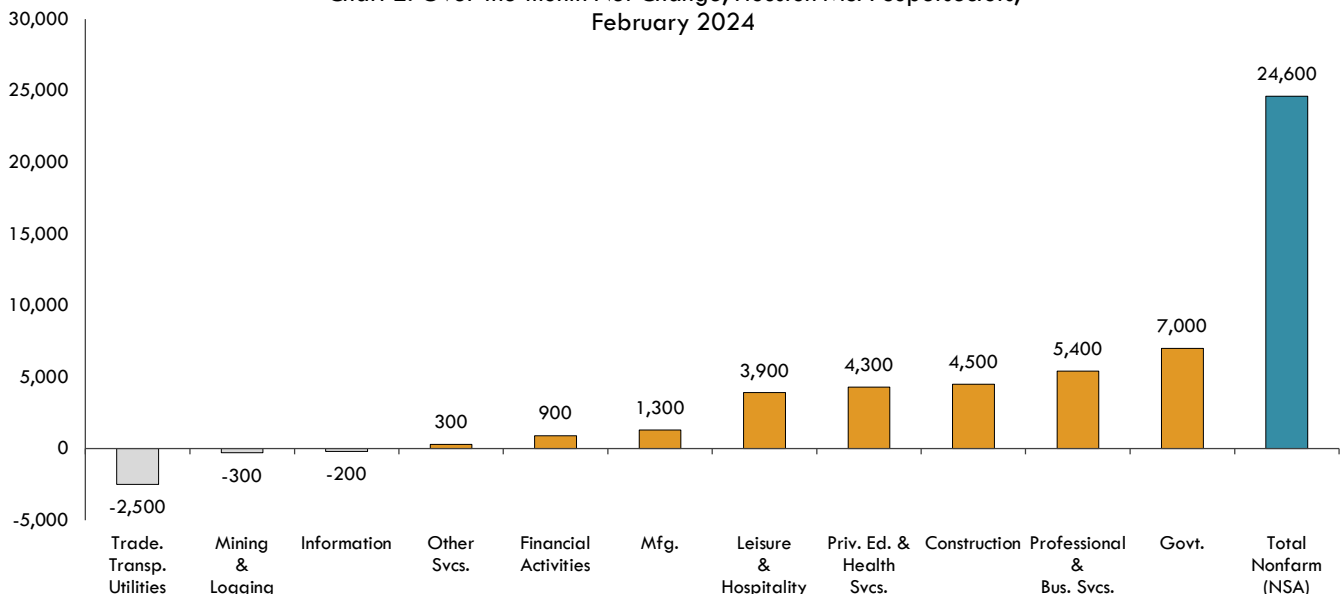
Over-the-year Change

Over the year, Total Nonfarm employment was up 79,800 or 2.4 percent on a not-seasonally-adjusted basis and up 88,000 or 2.6 percent on a seasonally-adjusted basis (see NSA Chart 3). To compare, February 2023 saw a year-over-year gain of 161,700 jobs (NSA) from February 2022. Currently 9 out of 11 sectors show growth year over year of which the top-three are Private Education and Health Services (23,400); Government (19,600); and Professional and Business Services (8,800) (see Chart 4). Total Nonfarm employment not-seasonally-adjusted



now exceeds its February 2020 pre-pandemic level of 3,191,800 jobs by 227,000, or 7.1 percent (235,600 jobs, 7.4 percent above 3,197,000 seasonally adjusted).

Chart 2. Over-the-month Net Change, Houston MSA Supersectors, February 2024



Houston Area Employment Situation

February 2024

Previous Month's Revisions

Total Nonfarm employment was revised upward by 3,200 jobs for a December to January smaller net loss of -47,900 compared to an original estimate of -51,100 jobs. An upward revision of +1,800 jobs in Government was the largest contributor followed by Professional and Business Services (+1,400) and Manufacturing (+500). Downward revisions in Trade, Transportation, and Utilities (-1,200), Leisure and Hospitality (-500), and Mining and Logging (-100) provided a partial offset of the overall upward revision to Total Nonfarm employment (see Chart 5).

Top-3 Drivers of Over-the-year Job Growth in February

- Private Education and Health Services: 23,400
- Government: 19,600
- Professional and Business Services: 8,800

Chart 5. Net Revisions for Selected Supersectors and Major Industries, January 2024

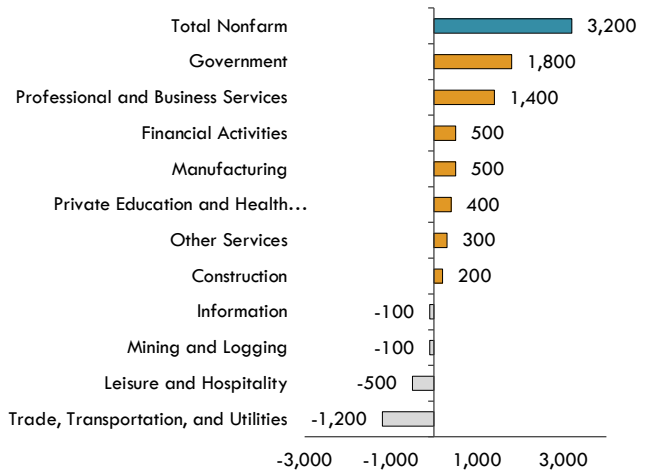


Chart 3. Total Nonfarm (NSA)
Over-the-year Net Change, Feb-09 to Feb-24

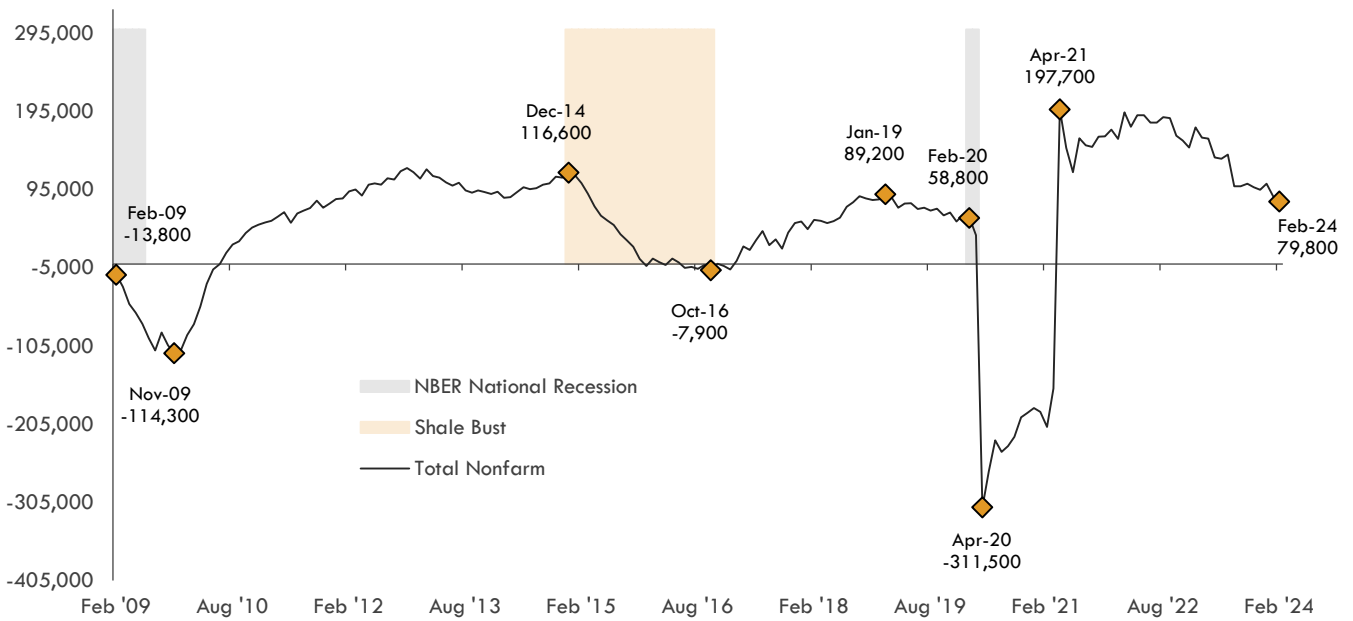
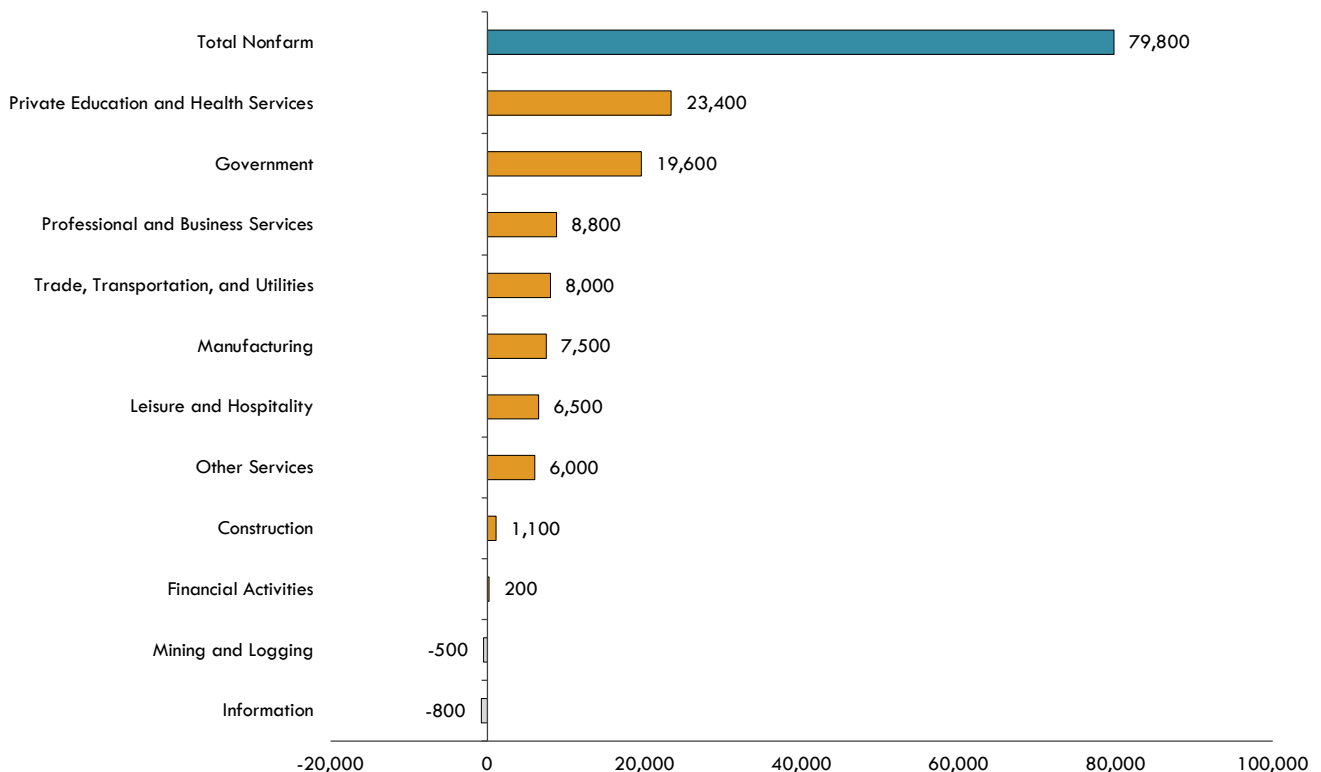


Chart 4. Over-the-year Net Change, Houston MSA Supersectors,
February 2023 to February 2024



Supplemental Commentary

Overall Impressions

This month's supplemental commentary is going to be relatively brief, not for a lack of time or effort, but because February's numbers were about as typical as they come for nearly every major sector. In fact I found myself writing the word 'typical' so often that I elected to recap each sector's over-the-month growth this February compared several previous Februaries via bullet points:

- Government: +7,000 jobs vs. an average of +7,300 between 2019-2023
- Professional and Business Services: +5,400 jobs vs. an average of +5,900 between 2017-2023
- Construction: +4,500 jobs vs. an average of +5,400 between 2017-2023
- Private Education and Health Services: +4,300 vs. an average of +3,700 between 2017-2023
- Leisure and Hospitality: +3,900 vs. an average of 4,300 between 2017-2023
- Manufacturing: +1,300 vs. an average of +1,400 between 2017-2019 and +1,600 between 2011-2014 (i.e. outside the 2015-2016 Shale Bust and the first two years of the pandemic)
- Financial Activities: +900 vs. an average of +1,000 between 2017-2023
- Other Services: +300 this February with an unusually large gain of +1,700 in January vs. an average of +2,500 between 2017-2023 (i.e. it appears growth was pulled forward from February into January this year)
- Information: -200 vs. an average of zero between 2017-2023
- Retail Trade: -3,100 vs. an average of -3,300 between 2017-2023 (excluding the one and only February the sector added jobs in 2022 likely due to staggered reopenings during the pandemic)
- Wholesale Trade: +400 vs. an average of +900 between 2017-2023 (+400 to +500 jobs are typical during average years with +1,300 typical of 'strong' years.)
- Transportation, Warehousing, and Utilities: +200 jobs vs. an average loss of -600 (keep in mind the sector has added jobs in the month of February roughly 50% of the time over the past 30+ years)

That leaves the Mining and Logging sector, which encompasses exploration and production and oilfield services. It lost -300 jobs in February in addition to January's decline of -1,000. The sector had begun posting gains in each of these months since 2017 indicating a change in seasonal patterns from past decades. Regardless, Mining and Logging is showing signs of underperformance in 2024 thus far. (Technically Information is underperforming as well but the sector is relatively small and has been in long-term decline since the Dotcom Bust of the early 2000s. Financial Activities has lost nearly all its momentum but with interest rates remaining stable if not falling, its fortunes are poised to turnaround.) In fact, the aforementioned losses in Mining and Logging in the first two months of this year have tipped the sector into negative territory on a year-over-year basis for the first time since October 2021, albeit just slightly with a decline of -500 jobs compared to February last year.

So what is the "so what" of February's typical job gains and losses? Beyond the fact that it suggests 2023's job growth momentum has largely continued into early 2024, it may suggest that BLS/TWC monthly estimates continue to benefit from improved accuracy provided by the 2023 annual benchmark revisions released on March 8th. (See the special report included in last month's Employment Situation for details). While this isn't guaranteed to last, it certainly bodes well for having a clearer picture of which sectors go on to perform well this year, along with those that don't. After all, wouldn't we rather know if we're still seeing six-figure annual job growth (not according to January and February figures although ~80k is still very good), or if Construction is tanking (it's not), while these developments are actually happening as opposed to a year from now?

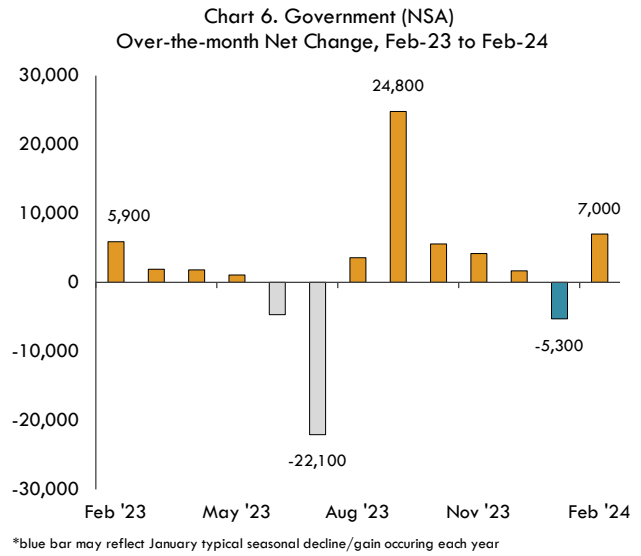
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GAINING INDUSTRY HIGHLIGHTS

Government

Over-the-month Change

Government was the largest gaining sector over the month up 7,000 jobs, or 1.5 percent (see Chart 6). This was the largest February over-the-month gain in since 2020. Historically in the month of February, Government has added an average of 6,400 jobs over the month, which indicates that this month's gains are on par with the long-term average. Local Government was the largest contributor to the overall sector's increase, up 6,300 jobs over the month. The second-largest contributor was State Government, which added 500 jobs from January to February. Lastly, Federal Government contributed, 200 jobs. Government employment was revised upward by 1,800 jobs for a December to January smaller net loss of -5,300 compared to an original estimate of -7,100 jobs.

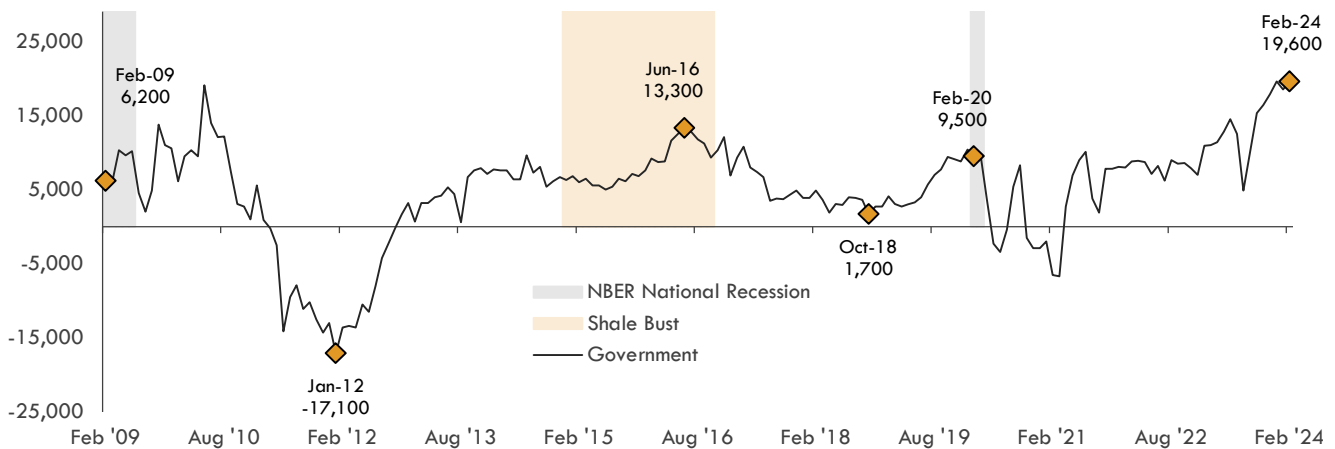


Over-the-year Change

Year over year, Government was up 19,600 jobs, or 4.4 percent (see Chart 7). This February tied with December 2023 for largest over-the-year gain on record. It also marks 35 consecutive months of over-the-year gains. Among sectors currently showing growth, this sector is the third-fastest growing in percentage terms across the Houston area. Furthermore, 24.2 percent of total (gross) jobs added across the region over the past year can be attributed to Government. Local Government was the largest contributor to the overall sector's increase, up 14,500 jobs over the year. The second-largest contributor was

State Government, which added 4,000 jobs from February a year ago. Lastly, Federal Government contributed, 1,100 jobs. Total Government employment (NSA) now exceeds its February 2020 pre-pandemic level of 428,400 jobs by 32,900, or 7.7 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 13.2 percent to 13.5 percent over the past year.

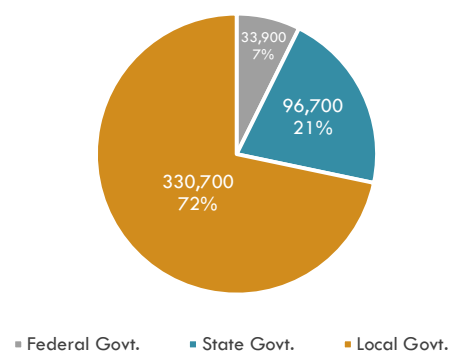
Chart 7. Government (NSA) Over-the-year Net Change, Feb-09 to Feb-24



About This Sector

This sector consists of establishments of federal, state, and local government agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions within a given area that are not performed by private establishments. For MSA data, this includes public education but excludes healthcare. Of the three main component industries, Local Government accounts for the majority of the sector's employment at 72 percent (see Chart 8).

Chart 8. Employment in Component Industries of Government Sector - February 2024

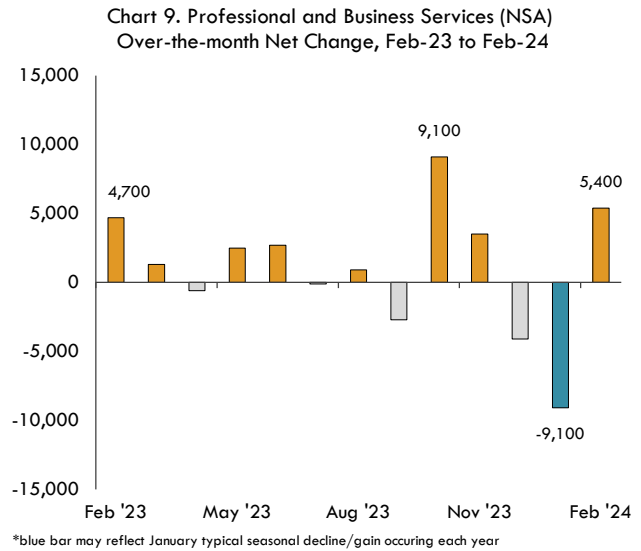


GAINING INDUSTRY HIGHLIGHTS

Professional and Business Services

Over-the-month Change

Professional and Business Services was the second-largest gaining sector over the month up 5,400 jobs, or 1.0 percent (see Chart 9). This was the largest February over-the-month gain in since 2022. Historically in the month of February, Professional and Business Services has added an average of 3,300 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Administrative and Support and Waste Management and Remediation Services was the largest contributor to the overall sector's increase, up 2,700 jobs over the month. The second-largest contributor was Professional, Scientific, and Technical Services, which added 2,300 jobs from January to February. Lastly, Management of Companies and Enterprises contributed, 400 jobs. Professional and Business Services employment was revised upward by 1,400 jobs for a December to January smaller net loss of -9,100 compared to an original estimate of -10,500 jobs.

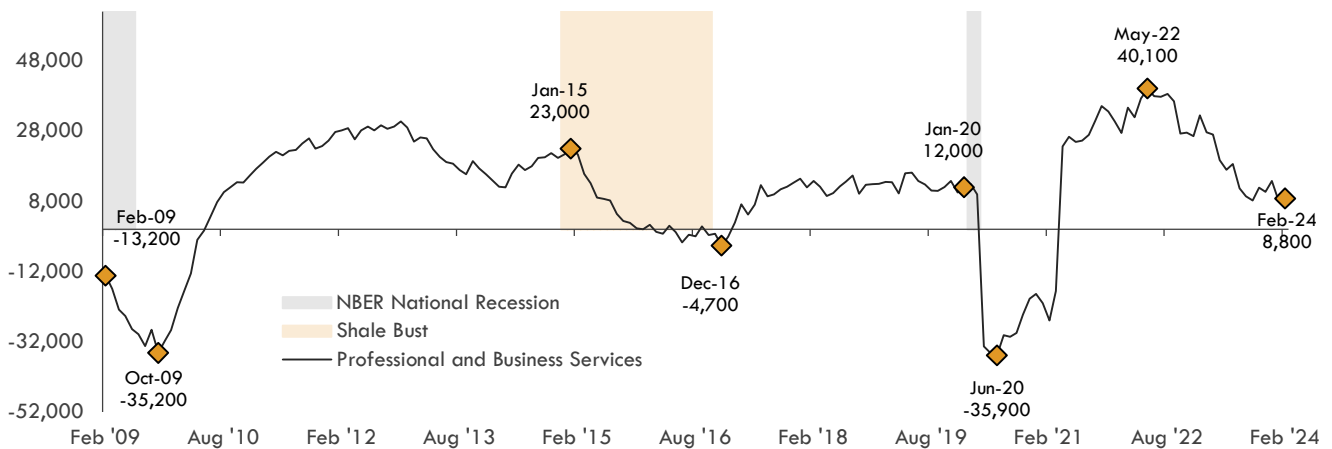


Over-the-year Change

Year over year, Professional and Business Services was up 8,800 jobs, or 1.6 percent (see Chart 10). This February also marks 35 consecutive months of over-the-year gains. Professional, Scientific, and Technical Services was the largest contributor to the overall sector's increase, up 8,500 jobs over the year. The second-largest contributor was Management of Companies and Enterprises, which added 500 jobs from February a year ago. Lastly, Administrative and Support and Waste Management and Remediation Services offset a portion of the sector's gains with a loss of -200 jobs. Total Professional and Business Services

employment (NSA) now exceeds its February 2020 pre-pandemic level of 514,700 jobs by 45,300, or 8.8 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 16.5 percent to 16.4 percent over the past year.

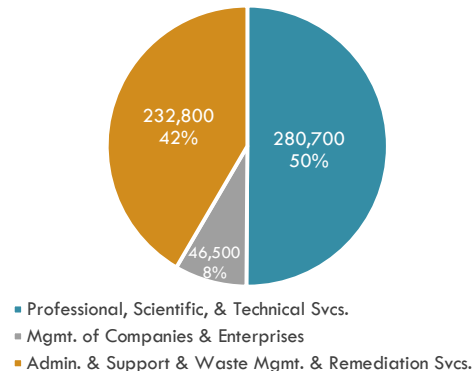
Chart 10. Professional and Business Services (NSA)
Over-the-year Net Change, Feb-09 to Feb-24



About This Sector

This sector is composed of establishments specializing in professional, scientific, and technical activities; management of establishments holding equity interests in order to influence management decisions; and office administration, hiring of personnel, security, cleaning, and waste disposal. Of the three main component industries, Professional, Scientific, and Technical Services accounts for a slight majority of the sector's employment at just over 50 percent (see Chart 11).

Chart 11. Employment in Component Industries of Professional and Business Services Sector - February 2024

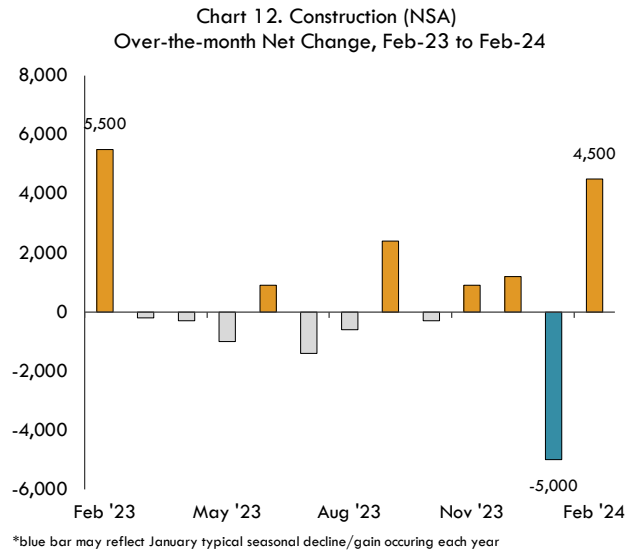


GAINING INDUSTRY HIGHLIGHTS

Construction

Over-the-month Change

Construction was the third-largest gaining sector over the month up 4,500 jobs, or 2.0 percent (see Chart 12). Historically in the month of February, Construction has added an average of 3,600 jobs over the month, which indicates that this month's gains are slightly above the long-term average. Heavy and Civil Engineering Construction was the largest contributor to the overall sector's increase, up 2,000 jobs over the month. The second-largest contributor was Specialty Trade Contractors, which added 1,600 jobs from January to February. Lastly, Construction of Buildings contributed, 900 jobs. Construction employment was revised upward by 200 jobs for a December to January smaller net loss of -5,000 compared to an original estimate of -5,200 jobs.

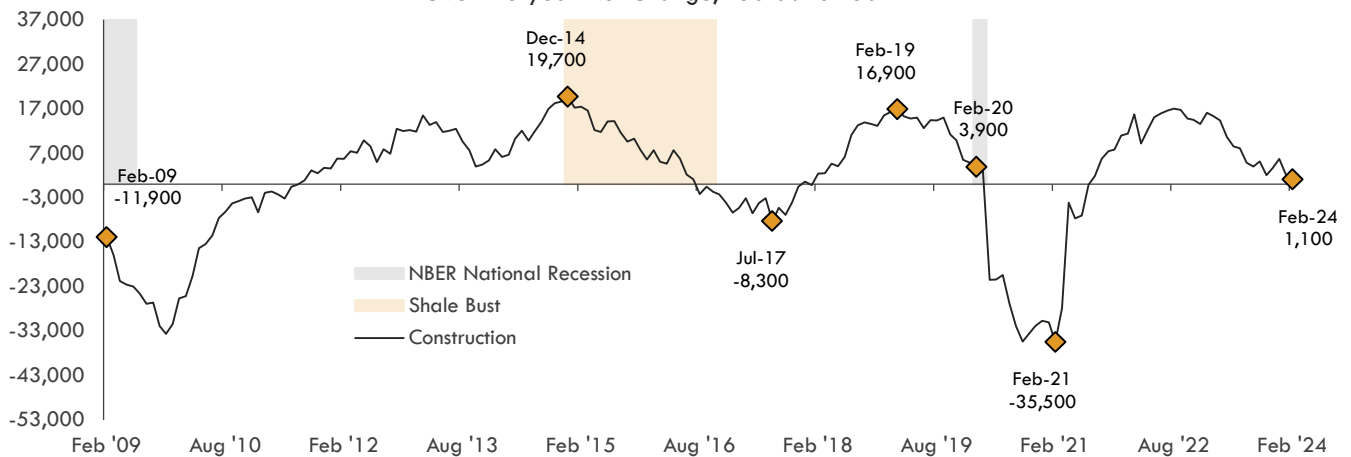


Over-the-year Change

Year over year, Construction was up 1,100 jobs, or 0.5 percent (see Chart 13). This February also marks 31 consecutive months of over-the-year gains. Construction of Buildings was the largest contributor to the overall sector's increase, up 3,800 jobs over the year. One component industry that provided a partial offset was Heavy and Civil Engineering Construction, which lost -1,000 jobs from February a year ago. Lastly, Specialty Trade Contractors offset a portion of the sector's gains with a loss of -1,700 jobs. Total Construction employment (NSA) remains -3,400 jobs, or -1.4 percent below its February 2020

pre-pandemic level of 237,400. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 7.0 percent to 6.8 percent over the past year.

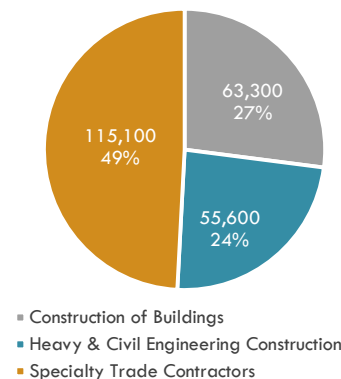
Chart 13. Construction (NSA)
Over-the-year Net Change, Feb-09 to Feb-24



About This Sector

This sector comprises establishments engaged in the construction of buildings, infrastructure, site preparation and sub-division, and specialty trades e.g. masonry, painting, and electrical work. Of the three main component industries, Specialty Trade Contractors accounts for a plurality of the sector's employment at 49 percent (see Chart 14).

Chart 14. Employment in Component Industries of Construction Sector - February 2024



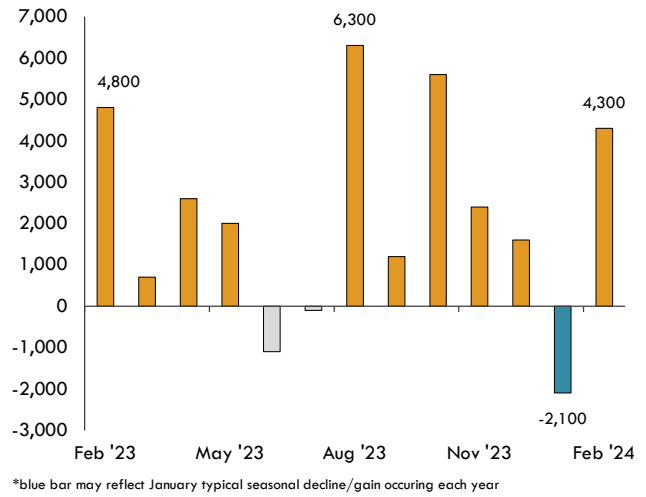
GAINING INDUSTRY HIGHLIGHTS

Private Education and Health Services

Over-the-month Change

Private Education and Health Services also saw an increase over the month up 4,300 jobs, or 0.9 percent (see Chart 15). Historically in the month of February, Private Education and Health Services has added an average of 1,900 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 3,200 jobs over the month. The second-largest contributor was Private Educational Services, which added 1,100 jobs from January to February. Private Education and Health Services employment was revised upward by 400 jobs for a December to January smaller net loss of -2,100 compared to an original estimate of -2,500 jobs.

Chart 15. Private Education and Health Services (NSA)
Over-the-month Net Change, Feb-23 to Feb-24

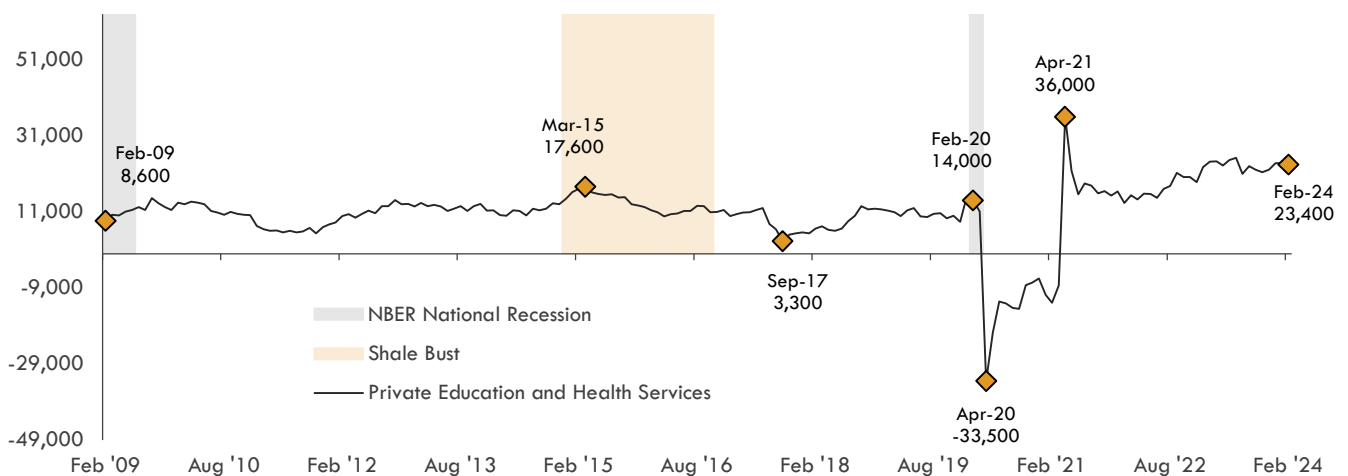


Over-the-year Change

Year over year, Private Education and Health Services was up 23,400 jobs, or 5.3 percent (see Chart 16). This was the second-largest over-the-year gain in the month of February since records began in 1990. Among sectors currently showing growth, this sector is the fastest-growing in percentage terms across the Houston area. Furthermore, 28.9 percent of total (gross) jobs added across the region over the past year can be attributed to Private Education and Health Services. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 22,300 jobs over the year. The second-largest

contributor was Private Educational Services, which added 1,100 jobs from February a year ago. Total Private Education and Health Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 414,400 jobs by 50,100, or 12.1 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 13.2 percent to 13.6 percent over the past year.

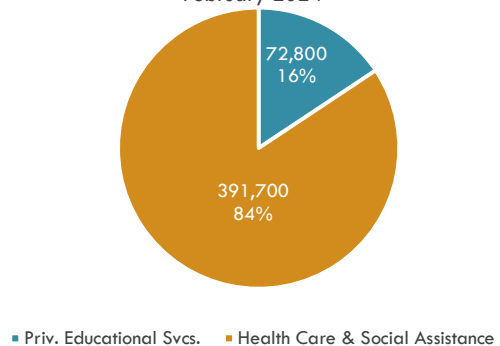
Chart 16. Private Education and Health Services (NSA)
Over-the-year Net Change, Feb-09 to Feb-24



About This Sector

This sector is composed of establishments that provide private education services (i.e. excluding publicly-funded primary, secondary, and postsecondary institutions) and establishments that provide healthcare and social assistance to individuals. Of the two main component industries, Health Care and Social Assistance accounts for the majority of the sector's employment at 84 percent (see Chart 17).

Chart 17. Employment in Component Industries of
Private Education and Health Services Sector -
February 2024

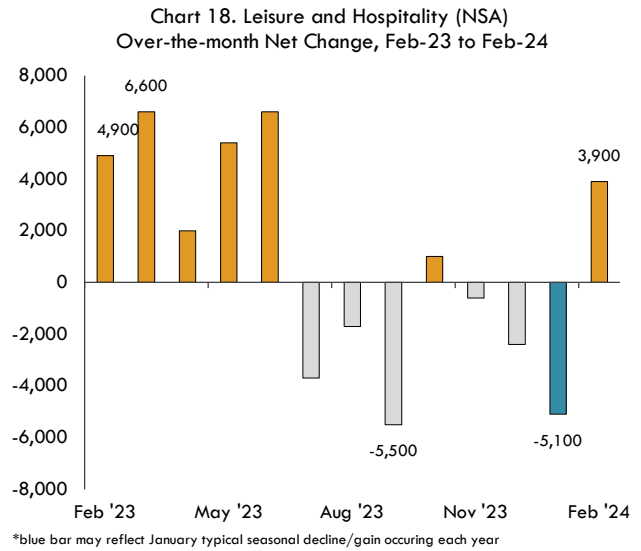


GAINING INDUSTRY HIGHLIGHTS

Leisure and Hospitality

Over-the-month Change

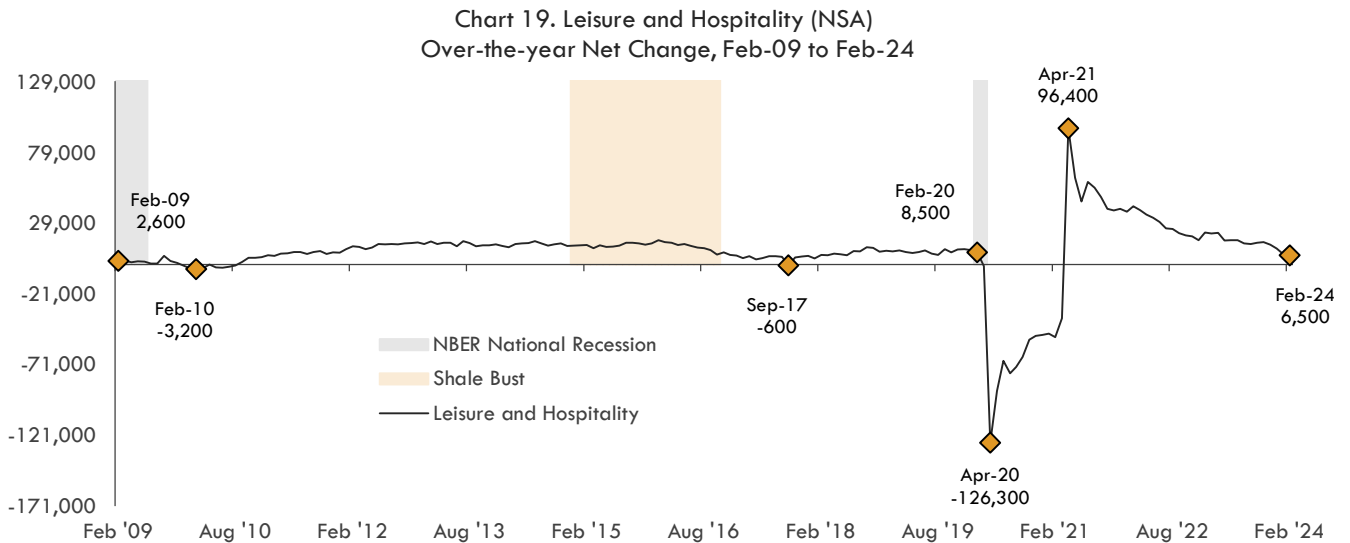
Leisure and Hospitality also saw an increase over the month up 3,900 jobs, or 1.1 percent (see Chart 18). Historically in the month of February, Leisure and Hospitality has added an average of 3,600 jobs over the month, which indicates that this month's gains are on par with the long-term average. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 3,200 jobs over the month. The second-largest contributor was Arts, Entertainment, and Recreation, which added 700 jobs from January to February. Leisure and Hospitality employment was revised downward by -500 jobs for a December to January larger net loss of -5,100 compared to an original estimate of -4,600 jobs.



Over-the-year Change

Year over year, Leisure and Hospitality was up 6,500 jobs, or 1.9 percent (see Chart 19). This February also marks 35 consecutive months of over-the-year gains. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 3,900 jobs over the year. The second-largest contributor was Arts, Entertainment, and Recreation, which added 2,600 jobs from February a year ago. Total Leisure and Hospitality employment (NSA) now exceeds its February 2020 pre-pandemic level of 334,500 jobs by 18,400, or 5.5 percent. At the same time, the sector's share of Houston area Total

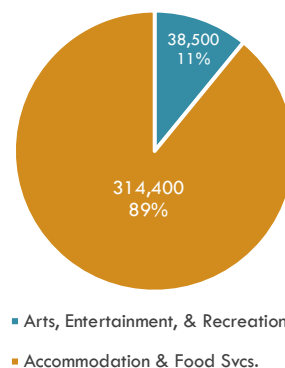
Nonfarm Employment has remained constant at 10.4 percent over the past year.



About This Sector

This sector is composed of establishments that produce and promote in live performances, events, or exhibits of historical, cultural, or educational interest or related to recreation or hobbies intended for public viewing; and provide customers with lodging and/or meals and beverages for immediate consumption. NOTE: movie theaters are classified under the Information sector rather than Leisure and Hospitality. Of the two main component industries, Accommodation and Food Services accounts for the majority of the sector's employment at 89 percent (see Chart 20).

Chart 20. Employment in Component Industries of Leisure and Hospitality Sector - February 2024

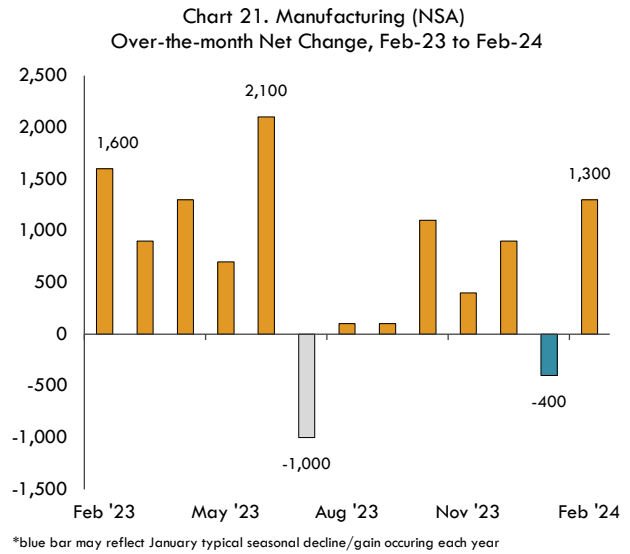


GAINING INDUSTRY HIGHLIGHTS

Manufacturing

Over-the-month Change

Manufacturing also saw an increase over the month up 1,300 jobs, or 0.6 percent (see Chart 21). Historically in the month of February, Manufacturing has added an average of 600 jobs over the month, which indicates that this month's gains are moderately above the long-term average. Durable Goods was the largest contributor to the overall sector's increase, up 1,300 jobs over the month. One component industry, Non-Durable Goods, saw no change from January to February. Manufacturing employment was revised upward by 500 jobs for a December to January smaller net loss of -400 compared to an original estimate of -900 jobs.

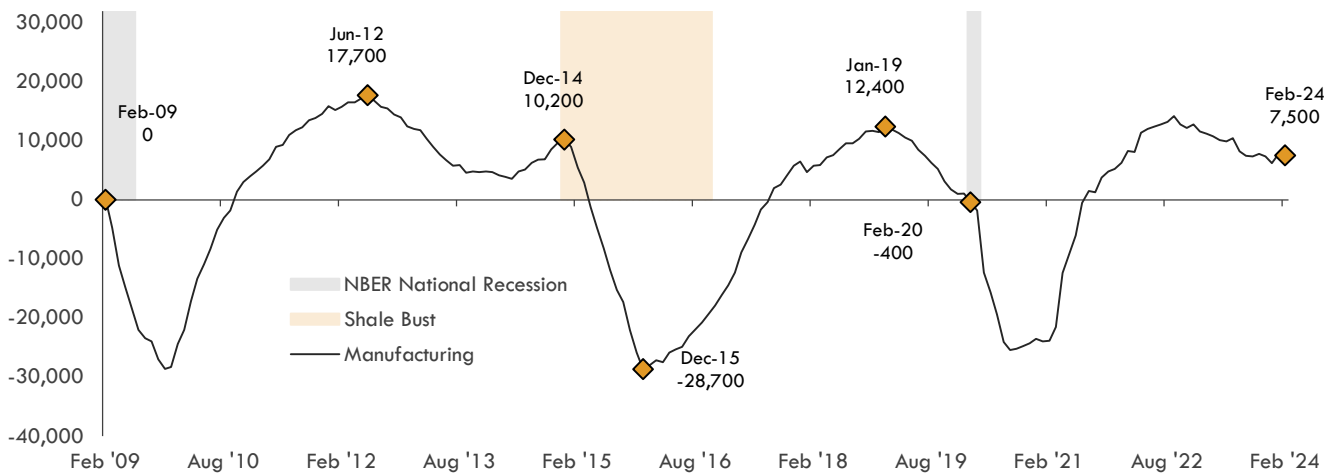


Over-the-year Change

Year over year, Manufacturing was up 7,500 jobs, or 3.3 percent (see Chart 22). This February also marks 31 consecutive months of over-the-year gains. Durable Goods was the largest contributor to the overall sector's increase, up 6,900 jobs over the year. The second-largest contributor was Non-Durable Goods, which added 600 jobs from February a year ago. Total Manufacturing employment (NSA) now exceeds its February 2020 pre-pandemic level of 234,500 jobs by 3,100, or 1.3 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 6.9 percent

over the past year.

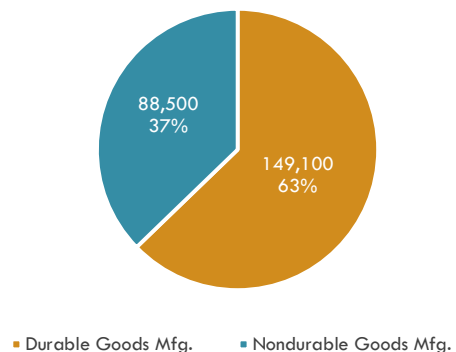
Chart 22. Manufacturing (NSA) Over-the-year Net Change, Feb-09 to Feb-24



About This Sector

This sector comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. Of the two main component industries, Durable Goods accounts for the majority of the sector's employment at 63 percent (see Chart 23).

Chart 23. Employment in Component Industries of Manufacturing Sector - February 2024

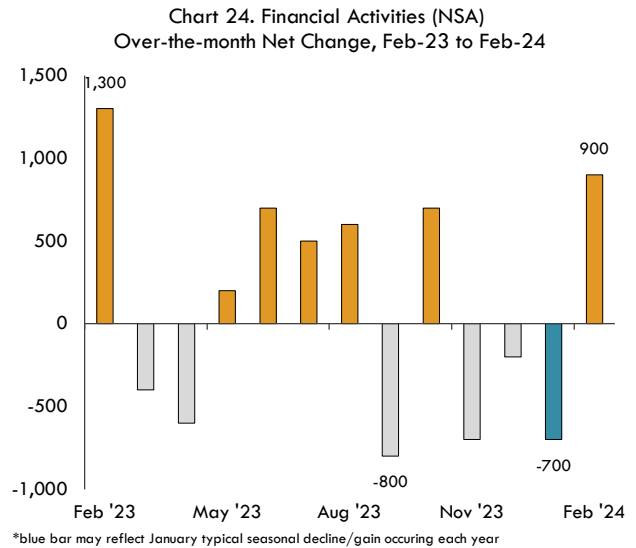


GAINING INDUSTRY HIGHLIGHTS

Financial Activities

Over-the-month Change

Financial Activities also saw an increase over the month up 900 jobs, or 0.5 percent (see Chart 24). Historically in the month of February, Financial Activities has added an average of 500 jobs over the month, which indicates that this month's gains are slightly above the long-term average. Real Estate and Rental and Leasing was the largest contributor to the overall sector's increase, up 700 jobs over the month. The second-largest contributor was Finance and Insurance, which added 200 jobs from January to February. Financial Activities employment was revised upward by 500 jobs for a December to January smaller net loss of -700 compared to an original estimate of -1,200 jobs.

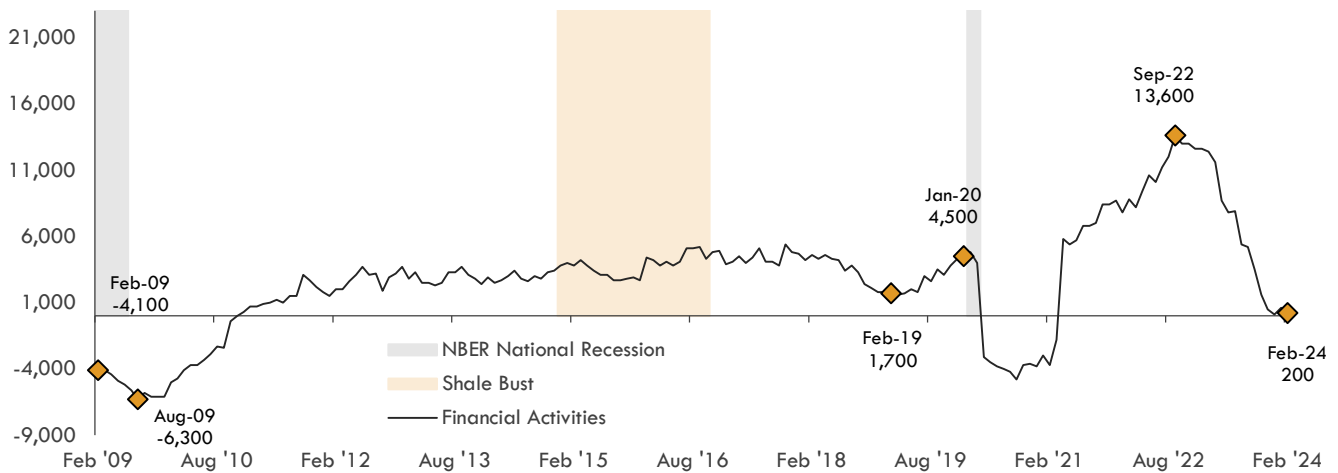


Over-the-year Change

Year over year, Financial Activities was up 200 jobs, or 0.1 percent (see Chart 25). This February also marks nine consecutive months of over-the-year gains. Finance and Insurance was the largest contributor to the overall sector's increase, up 600 jobs over the year. One component industry that provided a partial offset was Real Estate and Rental and Leasing, which lost -400 jobs from February a year ago. Total Financial Activities employment (NSA) now exceeds its February 2020 pre-pandemic level of 169,200 jobs by 17,700, or 10.5 percent. At the same time, the sector's share of Houston area Total Nonfarm

Employment has fallen from 5.6 percent to 5.5 percent over the past year.

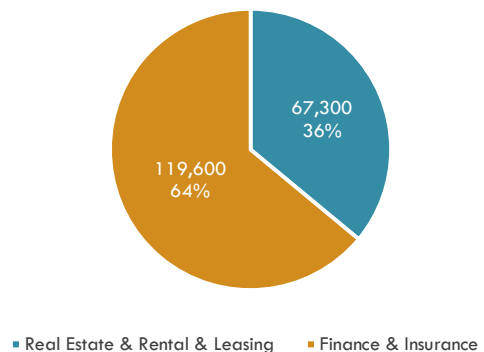
Chart 25. Financial Activities (NSA) Over-the-year Net Change, Feb-09 to Feb-24



About This Sector

This sector is composed of establishments renting, leasing, or allowing use of assets, and financial transactions such as creation, liquidation, or change in ownership of financial assets, underwriting of insurance, and annuities. Of the two main component industries, Finance and Insurance accounts for the majority of the sector's employment at 64 percent (see Chart 26).

Chart 26. Employment in Component Industries of Financial Activities Sector - February 2024

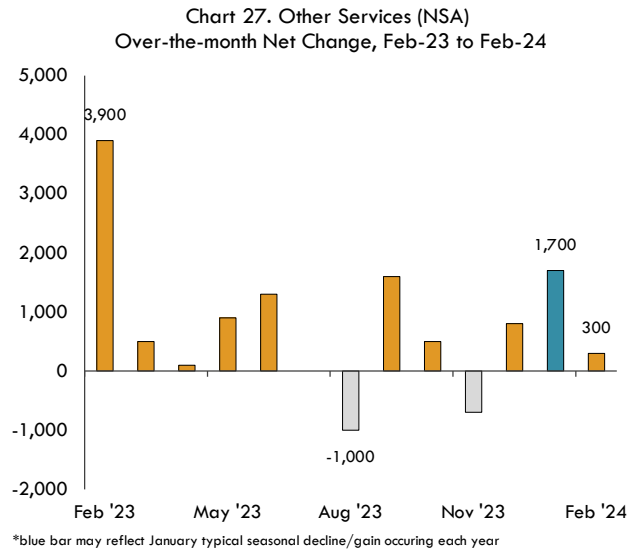


GAINING INDUSTRY HIGHLIGHTS

Other Services

Over-the-month Change

Other Services also saw an increase over the month up 300 jobs, or 0.2 percent (see Chart 27). Historically in the month of February, Other Services has added an average of 1,000 jobs over the month, which indicates that this month's gains are moderately below the long-term average. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Other Services employment was revised upward by 300 jobs for a December to January larger net gain of 1,700 compared to an original estimate of 1,400 jobs.

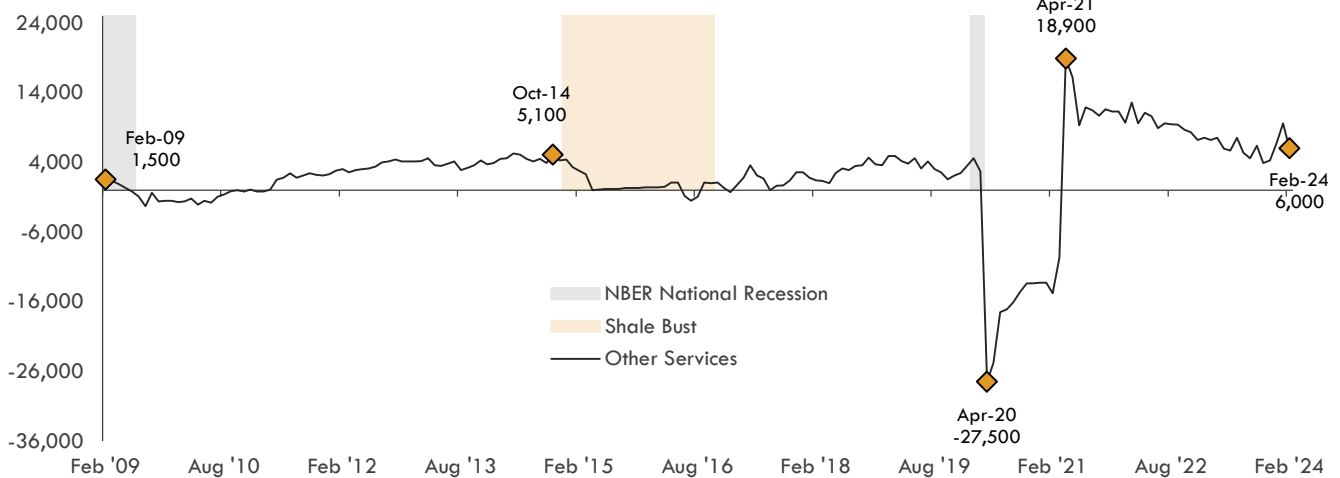


Over-the-year Change

Year over year, Other Services was up 6,000 jobs, or 4.8 percent (see Chart 28). This was the third-largest over-the-year gain in February since records began in 1990. It also marks 35 consecutive months of over-the-year gains. Among sectors currently showing growth, this sector is the second-fastest growing in percentage terms across the Houston area. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Total Other Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 119,100 jobs by 11,000, or 9.2 percent. At the same time, the sector's

share of Houston area Total Nonfarm Employment has remained constant at 3.7 percent over the past year.

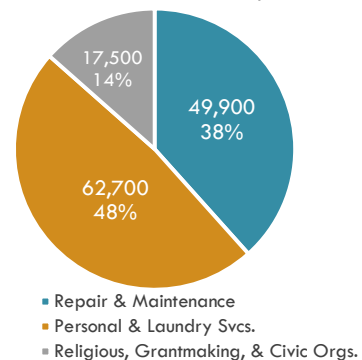
Chart 28. Other Services (NSA) Over-the-year Net Change, Feb-09 to Feb-24



About This Sector

This sector comprises establishments engaged in services not classified elsewhere such as equipment and machinery repair, religious activities, grantmaking, advocacy, and providing dry-cleaning and laundry services, and personal care services. Of the three main component industries, Personal and Laundry Services accounts for a plurality of the sector's employment at 48 percent as a subsector where self-employment is prevalent (source: Census - Non Employer Statistics and BLS - Quarterly Census of Employment and Wages) (see Chart 29).

Chart 29. Employment in Component Industries of Other Services Sector - February 2024



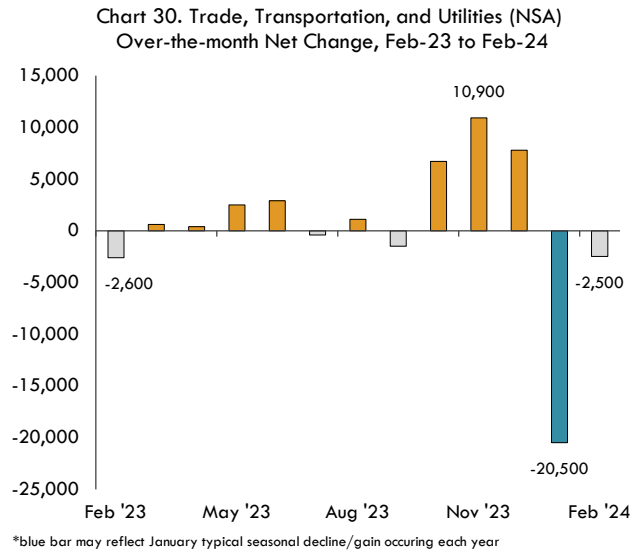
*estimated proportions based QCEW covered and NES self-employment

DECLINING INDUSTRY HIGHLIGHTS

Trade, Transportation, and Utilities

Over-the-month Change

Trade, Transportation, and Utilities was the largest declining sector over the month down -2,500 jobs, or -0.4 (see Chart 30). Historically in the month of February, Trade, Transportation, and Utilities has lost an average of -2,400 jobs over the month, which indicates that this month's losses are on par with the long-term average. Retail Trade was the largest contributor to the overall sector's decline, down -3,100 jobs over the month. One component industry that provided a partial offset was Transportation, Warehousing, and Utilities, which gained 200 jobs from January to February. Lastly, Wholesale Trade offset a portion of the sector's losses with a gain of 400 jobs. Trade, Transportation, and Utilities employment was revised downward by -1,200 jobs for a December to January larger net loss of -20,500 compared to an original estimate of -19,300 jobs.

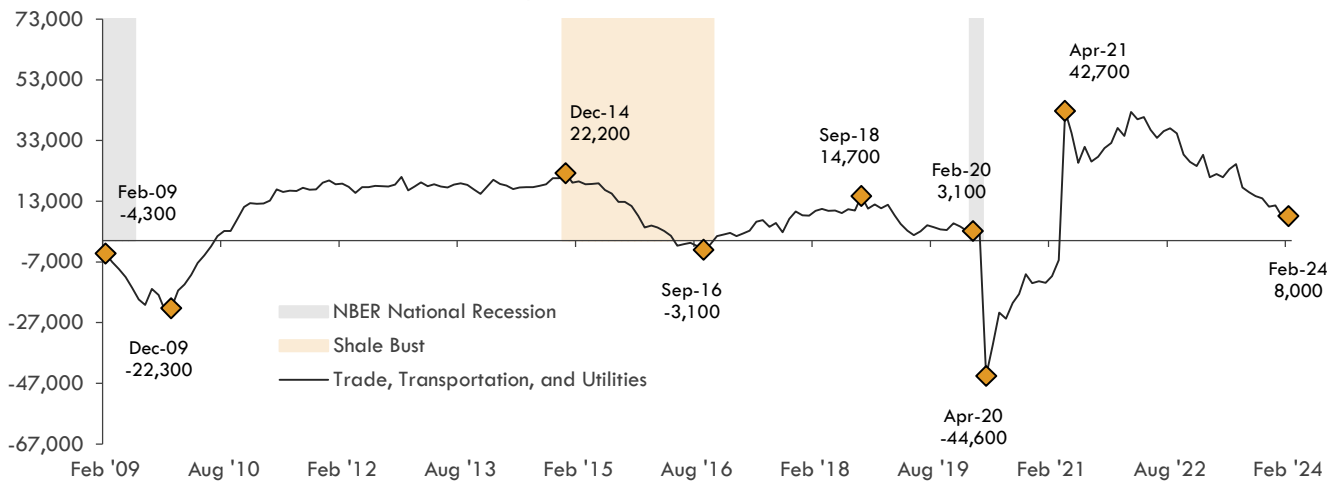


Over-the-year Change

Year over year, Trade, Transportation, and Utilities was up 8,000 jobs, or 1.2 percent (see Chart 31). This February also marks 35 consecutive months of over-the-year gains. Transportation, Warehousing, and Utilities was the largest contributor to the overall sector's increase, up 4,700 jobs over the year. The second-largest contributor was Wholesale Trade, which added 3,300 jobs from February a year ago. Lastly, Retail Trade saw no change over the month. Total Trade, Transportation, and Utilities employment (NSA) now exceeds its February 2020 pre-pandemic level of 628,500 jobs by 59,600,

or 9.5 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 20.4 percent to 20.1 percent over the past year.

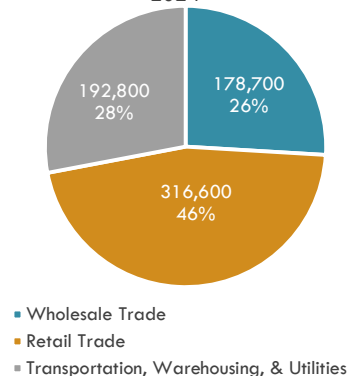
Chart 31. Trade, Transportation, and Utilities (NSA) Over-the-year Net Change, Feb-09 to Feb-24



About This Sector

This sector is composed of establishments wholesaling agriculture, mining, and manufactured goods; retailing goods in small quantities to the public incl. online; transporting passengers and cargo; warehousing and storage; and providing electricity, natural gas, water, and sewage removal. Of the three main component industries, Retail Trade accounts for a plurality of the sector's employment at 46 percent (see Chart 32).

Chart 32. Employment in Component Industries of Trade, Transportation, and Utilities Sector - February 2024

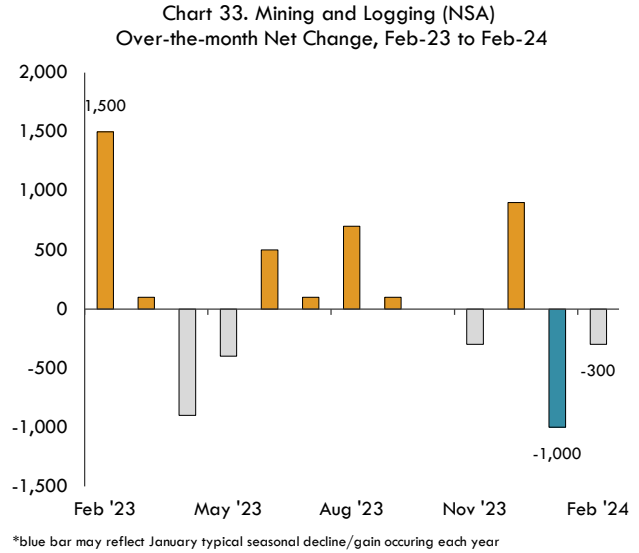


DECLINING INDUSTRY HIGHLIGHTS

Mining and Logging

Over-the-month Change

Mining and Logging was the second-largest declining sector over the month down -300 jobs, or -0.4 (see Chart 33). This was the largest February over-the-month decline in since 2016. Oil and Gas Extraction was the largest contributor to the overall sector's decline, down -200 jobs over the month. The second-largest declining contributor was Other Mining and Logging Undefined, which lost -100 jobs from January to February. Lastly, Support Activities for Mining saw no change over the month. Mining and Logging employment was revised downward by -100 jobs for a December to January larger net loss of -1,000 compared to an original estimate of -900 jobs.

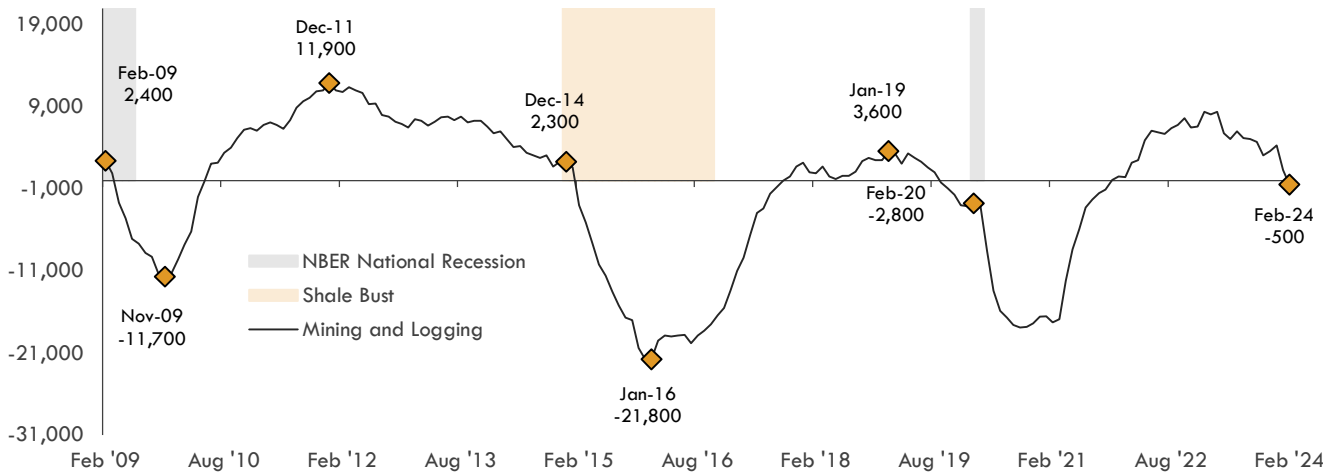


Over-the-year Change

Year over year, Mining and Logging was down -500 jobs, or -0.7 percent (see Chart 34). This was the largest over-the-year decline since October 2021's decrease of -1,100 jobs. Among sectors currently showing contraction, this sector is the second-fastest declining in percentage terms across the Houston area. Furthermore, 38.5 percent of total (gross) jobs lost across the region over the past year can be attributed to Mining and Logging. Support Activities for Mining was the largest contributor to the overall sector's decline, down -1,600 jobs over the year. One component industry, Other Mining and Logging Undefined,

saw no change from February a year ago. Lastly, Oil and Gas Extraction offset a portion of the sector's losses with a gain of 1,100 jobs. Total Mining and Logging employment (NSA) remains -7,500 jobs, or -9.6 percent below its February 2020 pre-pandemic level of 78,400. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 2.1 percent over the past year.

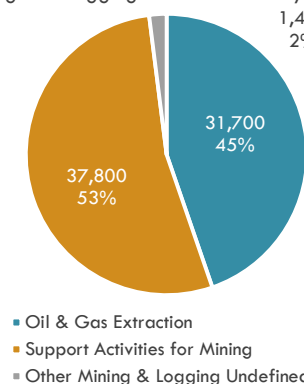
Chart 34. Mining and Logging (NSA)
Over-the-year Net Change, Feb-09 to Feb-24



About This Sector

This sector comprises establishments extracting naturally occurring minerals such as coal and ores; liquid minerals, such as crude petroleum and natural gas; and timber. Of the three main component industries, Support Activities for Mining accounts for a slight majority of the sector's employment at just over 53 percent (see Chart 35).

Chart 35. Employment in Component Industries of Mining and Logging Sector - February 2024

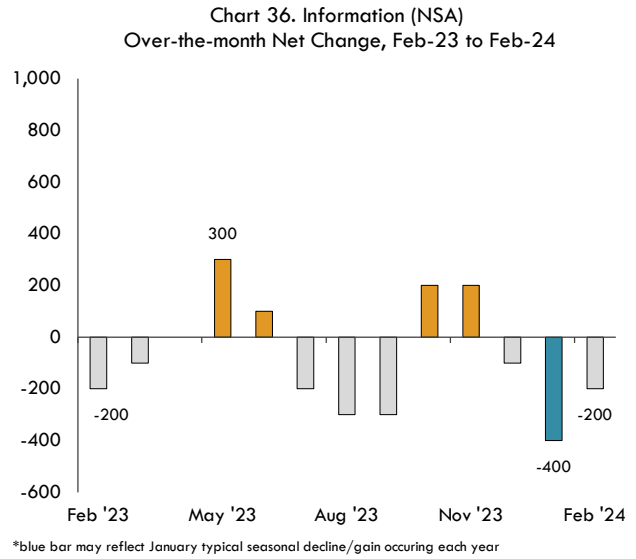


DECLINING INDUSTRY HIGHLIGHTS

Information

Over-the-month Change

Information was the third-largest declining sector over the month down -200 jobs, or -0.6 (see Chart 36). This February tied with 2023, 1993, and 1991 for the third-largest decline in the month of February since records began in 1990. Historically in the month of February, Information has added an average of 100 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Other Information Undefined was the largest contributor to the overall sector's decline, down -200 jobs over the month. One component industry, Telecommunications, saw no change from January to February. Information employment was revised downward by -100 jobs for a December to January larger net loss of -400 compared to an original estimate of -300 jobs.

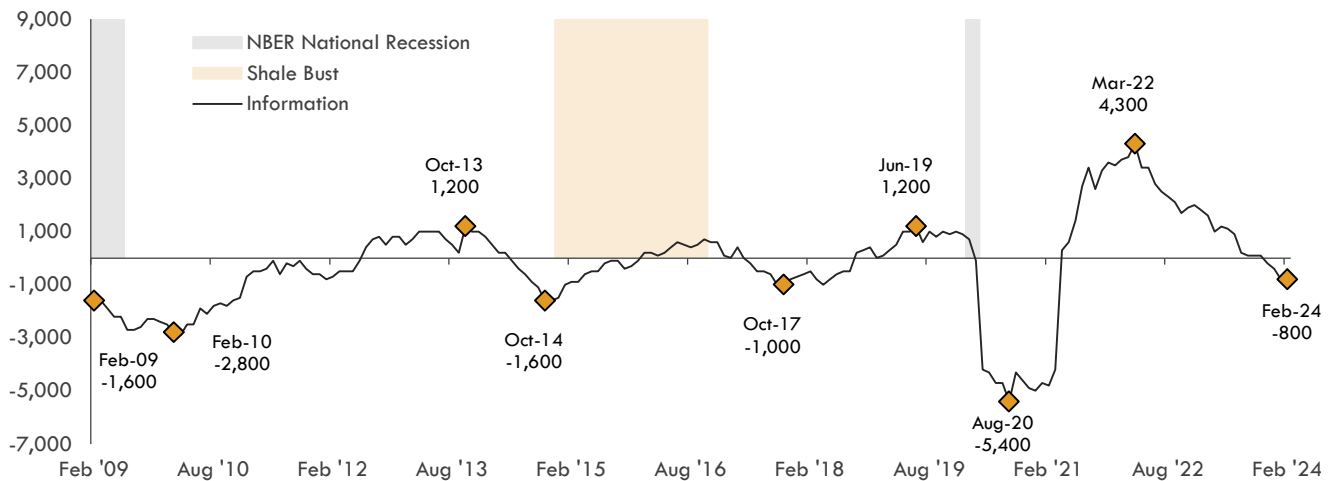


Over-the-year Change

Year over year, Information was down -800 jobs, or -2.4 percent (see Chart 37). This February also marks four consecutive months of over-the-year losses. Among sectors currently showing contraction, this sector is the fastest declining in percentage terms across the Houston area. Furthermore, 61.5 percent of total (gross) jobs lost across the region over the past year can be attributed to Information. Telecommunications was the largest contributor to the overall sector's decline, down -400 jobs over the year. The second-largest declining contributor was Other Information Undefined, which lost -400 jobs from February a

year ago. Total Information employment (NSA) remains -200 jobs, or -0.6 percent below its February 2020 pre-pandemic level of 32,700. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 1.0 percent over the past year.

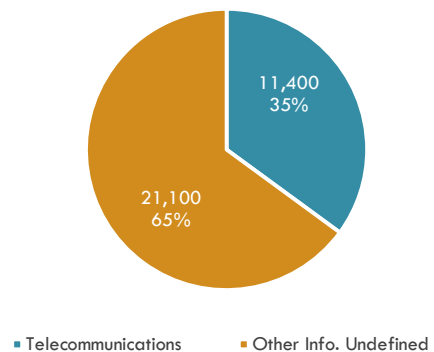
Chart 37. Information (NSA) Over-the-year Net Change, Feb-09 to Feb-24



About This Sector

This sector comprises establishments producing and distributing information and cultural products, e.g. traditional and online news publishing; software publishing; the motion picture and sound recording; TV broadcasting; and telecommunications. Of the two main component industries, Other Information Undefined accounts for the majority of the sector's employment at 65 percent (see Chart 38).

Chart 38. Employment in Component Industries of Information Sector - February 2024



Local Area Unemployment Statistics

Not-Seasonally Adjusted

Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 4.6 percent in February, up from January's 4.4 percent and This was above the statewide rate of 4.4 percent and above the national rate of 4.2 percent. An over-the-month decline in February is typical having occurred roughly 80 percent of the time over the past three decades making this month's increase stand in contrast to historical seasonal trends. 168,668 individuals were unemployed in Houston in February, up from January's 159,125 and up from 165,699 in February 2023 (see Charts 39 and 40).

Chart 39. Unemployment Rates (NSA)
U.S., Texas, and Houston MSA
February 2024

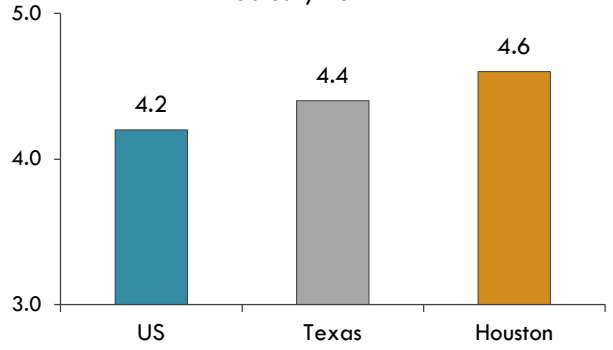
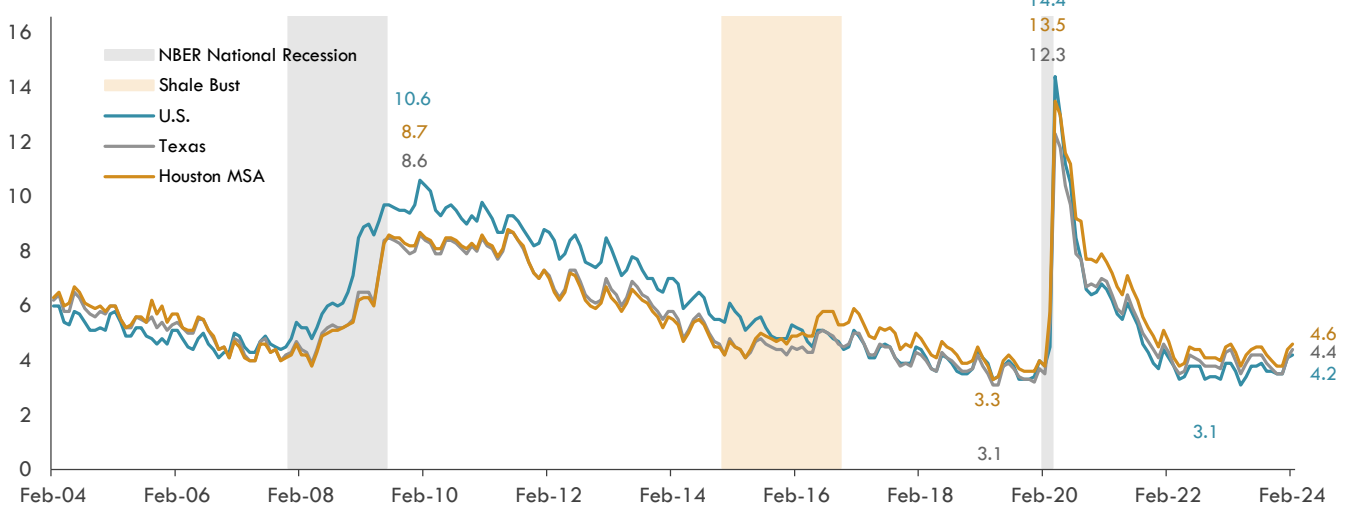


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA)
February 2004 to February 2024

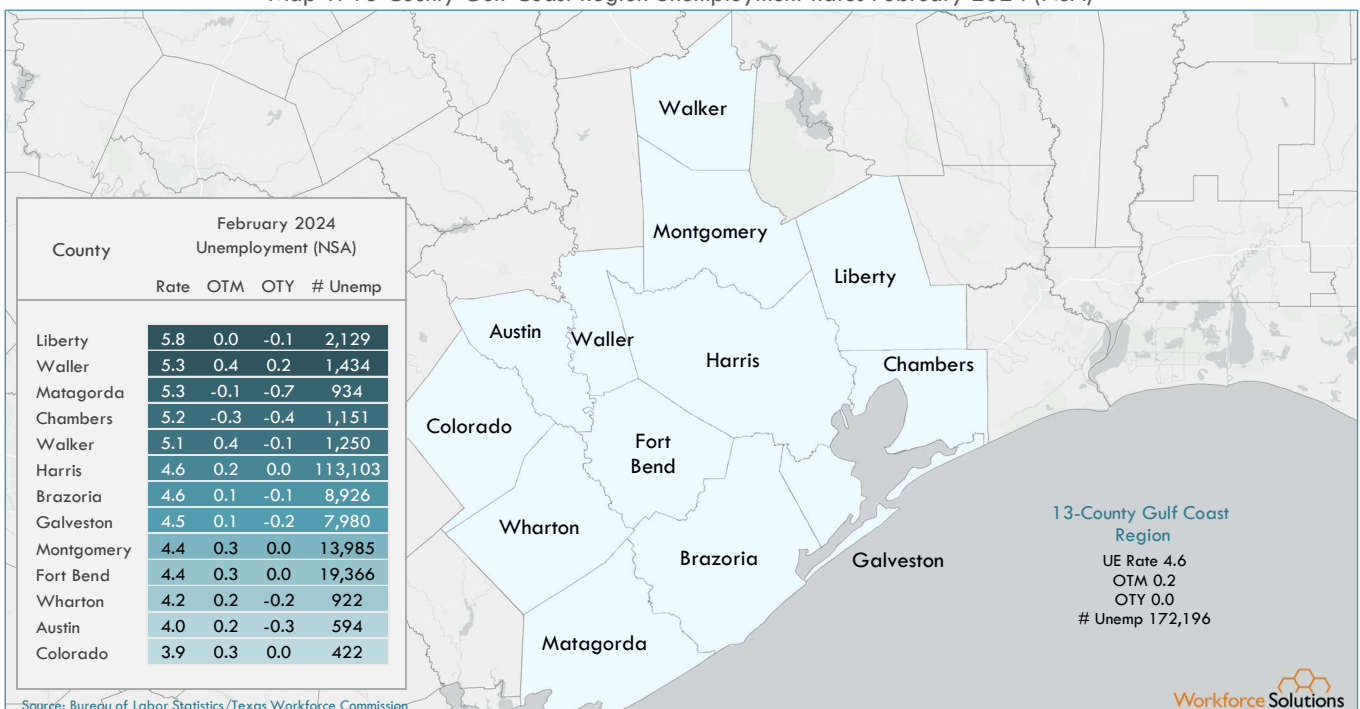


County-level Unemployment

Among the 13 counties that comprise the Gulf Coast Workforce Development Area, unemployment rates in February ranged from a high of 5.8 percent in Liberty County to a low of 3.9 percent in Colorado. Over the month, 10 counties saw their unemployment rates rise in keeping with the region-wide increase of 0.2 percentage points while two declined and one saw no change. Walker saw the largest percentage-point increase in unemployment up 0.4 pp. representing 107 more unemployed workers compared to the previous month. This was followed by Waller (0.4 pp, 132 workers) and Montgomery (0.3 pp,

1,156 workers). Since peaking at 448,855 in April 2020 due to the COVID-19 global pandemic, the number of unemployed workers in the Gulf Coast Region has fallen by -276,659 as of this February (see Map 1 legend).

Map 1. 13-County Gulf Coast Region Unemployment Rates February 2024 (NSA)



Local Area Unemployment Statistics (continued)

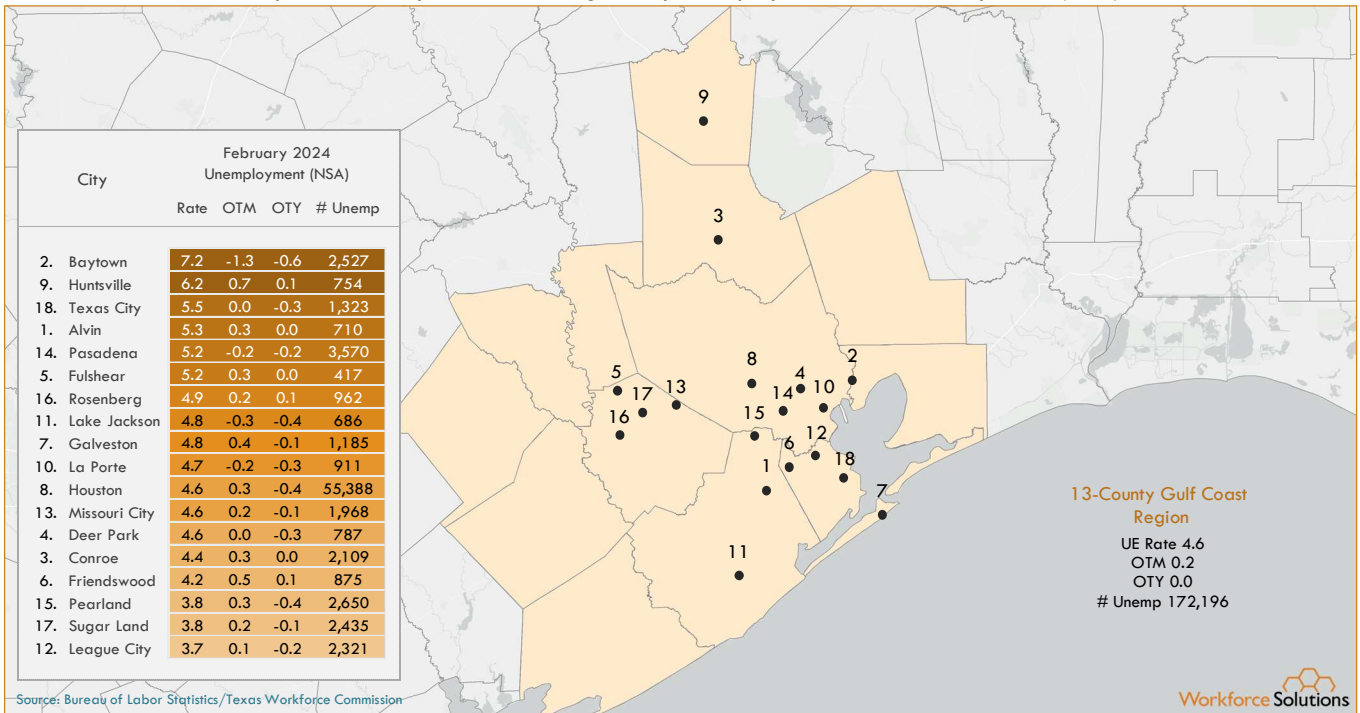
Not-Seasonally Adjusted

Unemployment Rates for Select Municipalities

Among the 18 cities in the Gulf Coast Workforce Development Area for which Local Area Unemployment Statistics are available, unemployment rates in February ranged from a high of 7.2 percent in Baytown to a low of 3.7 percent in League City (see Map 2 legend). Over the month, 12 cities saw their unemployment rates rise in keeping with the region-wide increase of 0.2 percentage points while four declined and two saw no changes. Huntsville saw the largest percentage-point increase

in unemployment up 0.7 pp. representing 85 more unemployed workers compared to the previous month. This was followed by Friendswood (0.5 pp, 103 workers) and Galveston (0.4 pp, 109 workers). The 18 cities below accounted for 47 percent of the 172,196 unemployed workers across the Gulf Coast Region as of this February (see Map 2 legend).

Map 2. 13-County Gulf Coast Region City Unemployment Rates February 2024 (NSA)



Seasonally Adjusted

Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (seasonally-adjusted) unemployment rate stood at 4.2 percent in January, down from December's 4.3 percent and up from 4.1 percent a year ago. This was above the statewide rate of 3.9 percent and the national rate of 3.7 percent. 152,808 individuals were unemployed in Houston in January, down from December's 155,030 and up from 144,028 in January 2023 (see Charts 41 and 42). NOTE: Seasonally-adjusted data for the MSA are available with a one-month delay but are not available for the 13-County Region or 18 cities.

Chart 41. Unemployment Rates (SA)
 U.S., Texas, and Houston MSA
 January 2024

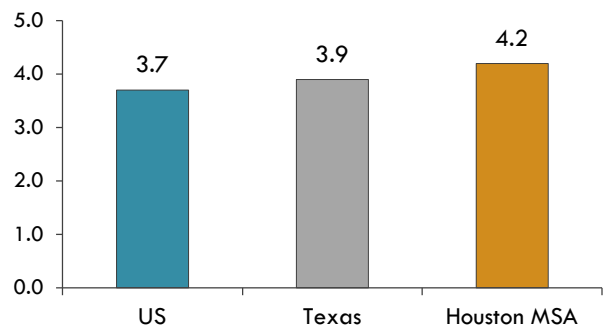
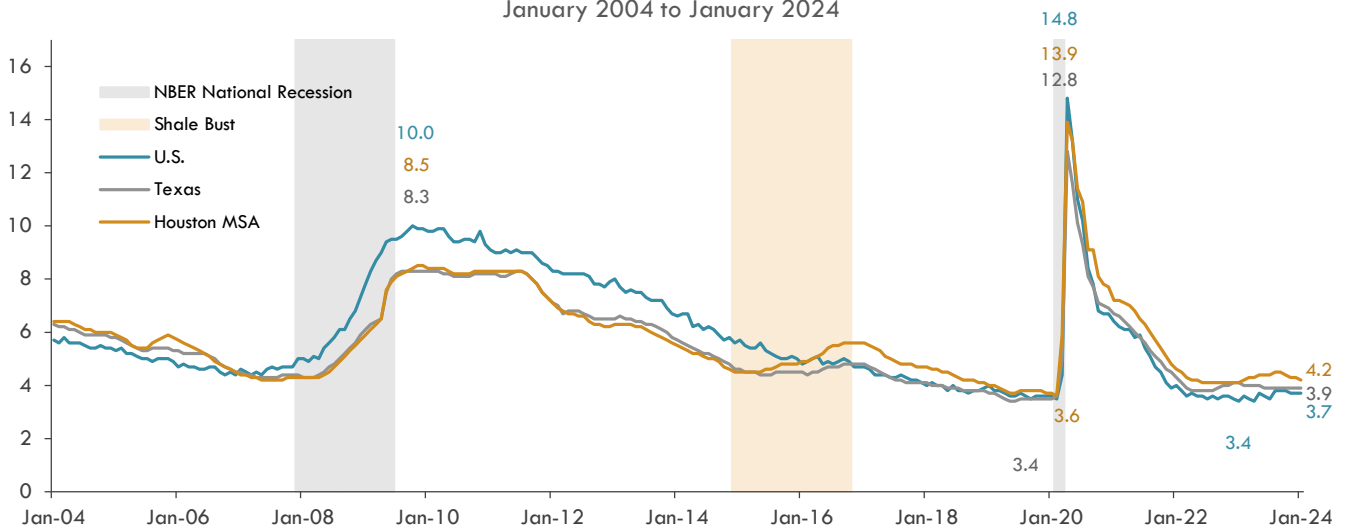


Chart 42. Unemployment Rates U.S., Texas, and Houston MSA (SA)
 January 2004 to January 2024



Gulf Coast Workforce Solutions Index (WSI)

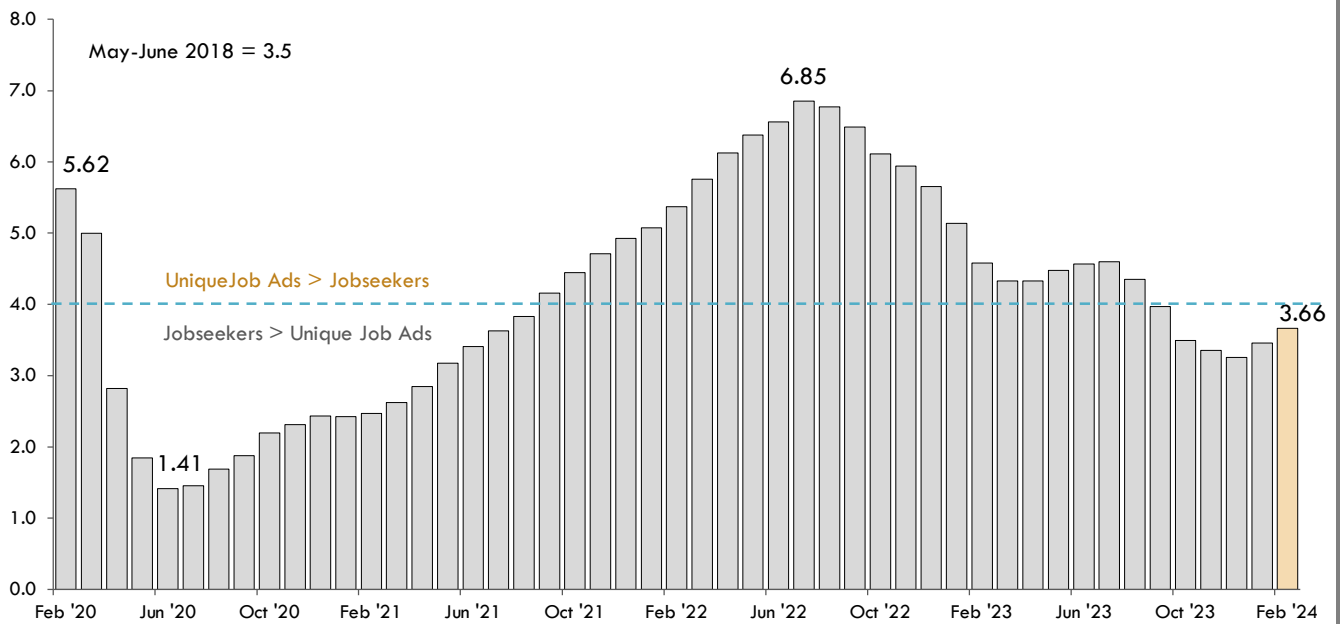


The Gulf Coast Workforce Solutions Index (WSI)

The WSI is an indicator designed to capture shifts in the local labor market, specifically the balance between available jobs and unemployed workers at a given point in time. Values above 4.0 signal a surplus of jobs while values less than 4.0 signal a surplus of jobseekers. The Gulf Coast Workforce Board monitors the WSI as part of its ongoing review of the region's unemployment insurance work search requirement and reserves the right to adjust the number of weekly job search contacts as labor market conditions warrant. In the event of change to the work search requirement, the Board will notify the Texas Workforce Commission who will in turn notify UI recipients.

WSI Reading
February
2024:
3.66

Gulf Coast Workforce Solutions Index - Houston MSA 2017 - 2022 (SA)



Source(s): Emsi-Burning Glass and BLS/TWC - LAUS
Note: data subject to revisions.



Workforce Solutions Index February 2024

The Houston MSA WSI for February stood at 3.66, up from January's slightly upward revised reading of 3.46. This was the result of the number of unemployed individuals continuing to average around 150,000 in recent months while the number of job postings rose by 11,000 from January to February.

Despite the index rising in each of the past three months, this February marks the sixth consecutive reading below 4.0, and continues to signal that employers have regained bargaining power relative to job seekers for the first time in roughly two years.

As a result February's reading continues to suggest that a requirement of three work search activities may be appropriate for individuals receiving unemployment insurance given the relative availability of jobs at present.



Houston Area Employment Situation

February 2024

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	Feb-24	Jan-24	Feb-23	Monthly	Monthly	Yearly	Yearly %
Total Nonfarm	3,418,800	3,394,200	3,339,000	24,600	0.7%	79,800	2.4%
Total Private	2,957,500	2,939,900	2,897,300	17,600	0.6%	60,200	2.1%
Goods Producing	542,500	537,000	534,400	5,500	1.0%	8,100	1.5%
.Mining and Logging	70,900	71,200	71,400	-300	-0.4%	-500	-0.7%
...Oil and Gas Extraction	31,700	31,900	30,600	-200	-0.6%	1,100	3.6%
...Support Activities for Mining	37,800	37,800	39,400	0	0.0%	-1,600	-4.1%
.Construction	234,000	229,500	232,900	4,500	2.0%	1,100	0.5%
..Construction of Buildings	63,300	62,400	59,500	900	1.4%	3,800	6.4%
..Heavy and Civil Engineering Construction	55,600	53,600	56,600	2,000	3.7%	-1,000	-1.8%
..Specialty Trade Contractors	115,100	113,500	116,800	1,600	1.4%	-1,700	-1.5%
.Manufacturing	237,600	236,300	230,100	1,300	0.6%	7,500	3.3%
..Durable Goods	149,100	147,800	142,200	1,300	0.9%	6,900	4.9%
...Fabricated Metal Product Manufacturing	52,600	52,000	49,700	600	1.2%	2,900	5.8%
...Machinery Manufacturing	43,100	42,900	41,700	200	0.5%	1,400	3.4%
....Agriculture, Construction, and Mining Machinery Mfg.	23,000	22,800	21,900	200	0.9%	1,100	5.0%
...Computer and Electronic Product Manufacturing	14,600	14,500	13,900	100	0.7%	700	5.0%
..Non-Durable Goods	88,500	88,500	87,900	0	0.0%	600	0.7%
...Petroleum and Coal Products Manufacturing	8,000	8,000	7,900	0	0.0%	100	1.3%
...Chemical Manufacturing	42,000	42,000	41,500	0	0.0%	500	1.2%
Service Providing	2,876,300	2,857,200	2,804,600	19,100	0.7%	71,700	2.6%
.Private Service Providing	2,415,000	2,402,900	2,362,900	12,100	0.5%	52,100	2.2%
..Trade, Transportation, and Utilities	688,100	690,600	680,100	-2,500	-0.4%	8,000	1.2%
...Wholesale Trade	178,700	178,300	175,400	400	0.2%	3,300	1.9%
....Merchant Wholesalers, Durable Goods	111,800	111,600	109,600	200	0.2%	2,200	2.0%
....Prof. and Commercial Equip. Supplies Wholesalers	18,500	18,500	18,700	0	0.0%	-200	-1.1%
....Merchant Wholesalers, Nondurable Goods	55,100	54,900	54,200	200	0.4%	900	1.7%
...Retail Trade	316,600	319,700	316,600	-3,100	-1.0%	0	0.0%
....Motor Vehicle and Parts Dealers	44,200	44,200	43,700	0	0.0%	500	1.1%
....Bldg. Material and Garden Equip. and Supplies Dealers	23,400	23,300	23,700	100	0.4%	-300	-1.3%
....Food and Beverage Stores	75,000	74,900	74,600	100	0.1%	400	0.5%
....Health and Personal Care Stores	61,000	61,800	60,600	-800	-1.3%	400	0.7%
....Clothing and Clothing Accessories Stores	19,100	19,600	19,200	-500	-2.6%	-100	-0.5%
....General Merchandise Stores	41,900	42,200	41,400	-300	-0.7%	500	1.2%
....Department Stores	21,500	21,700	21,500	-200	-0.9%	0	0.0%
....Other General Merchandise Stores	25,800	27,000	26,000	-1,200	-4.4%	-200	-0.8%
...Transportation, Warehousing, and Utilities	192,800	192,600	188,100	200	0.1%	4,700	2.5%
....Utilities	23,300	23,300	20,800	0	0.0%	2,500	12.0%
....Air Transportation	22,600	22,700	21,800	-100	-0.4%	800	3.7%
....Truck Transportation	30,100	30,200	30,400	-100	-0.3%	-300	-1.0%
....Pipeline Transportation	14,200	14,200	13,200	0	0.0%	1,000	7.6%
..Information	32,500	32,700	33,300	-200	-0.6%	-800	-2.4%
...Telecommunications	11,400	11,400	11,800	0	0.0%	-400	-3.4%
..Financial Activities	186,900	186,000	186,700	900	0.5%	200	0.1%
...Finance and Insurance	119,600	119,400	119,000	200	0.2%	600	0.5%
....Credit Intermediation and Related Activities	47,800	47,700	47,200	100	0.2%	600	1.3%
....Depository Credit Intermediation	30,900	30,800	30,200	100	0.3%	700	2.3%
....Securities, Commodity Contracts, and Fin. Investments	24,500	24,400	24,900	100	0.4%	-400	-1.6%
....Insurance Carriers and Related Activities	47,300	47,300	46,900	0	0.0%	400	0.9%
...Real Estate and Rental and Leasing	67,300	66,600	67,700	700	1.1%	-400	-0.6%
..Professional and Business Services	560,000	554,600	551,200	5,400	1.0%	8,800	1.6%
...Professional, Scientific, and Technical Services	280,700	278,400	272,200	2,300	0.8%	8,500	3.1%
....Legal Services	32,500	32,100	30,800	400	1.2%	1,700	5.5%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	30,300	29,600	30,800	700	2.4%	-500	-1.6%
....Architectural, Engineering, and Related Services	75,400	75,300	71,500	100	0.1%	3,900	5.5%
....Computer Systems Design and Related Services	41,600	41,100	42,100	500	1.2%	-500	-1.2%
...Management of Companies and Enterprises	46,500	46,100	46,000	400	0.9%	500	1.1%
...Admin. and Support and Waste Mgmt. and Remediation	232,800	230,100	233,000	2,700	1.2%	-200	-0.1%
....Administrative and Support Services	220,000	217,300	220,200	2,700	1.2%	-200	-0.1%
....Employment Services	79,600	78,000	85,600	1,600	2.1%	-6,000	-7.0%
....Services to Buildings and Dwellings	54,300	53,300	52,300	1,000	1.9%	2,000	3.8%
..Educational and Health Services	464,500	460,200	441,100	4,300	0.9%	23,400	5.3%
...Educational Services	72,800	71,700	71,700	1,100	1.5%	1,100	1.5%
...Health Care and Social Assistance	391,700	388,500	369,400	3,200	0.8%	22,300	6.0%
....Ambulatory Health Care Services	197,800	196,500	187,700	1,300	0.7%	10,100	5.4%
....Hospitals	98,000	97,300	91,400	700	0.7%	6,600	7.2%
..Leisure and Hospitality	352,900	349,000	346,400	3,900	1.1%	6,500	1.9%
...Arts, Entertainment, and Recreation	38,500	37,800	35,900	700	1.9%	2,600	7.2%
...Accommodation and Food Services	314,400	311,200	310,500	3,200	1.0%	3,900	1.3%
....Accommodation	26,200	25,900	25,500	300	1.2%	700	2.7%
....Food Services and Drinking Places	288,200	285,300	285,000	2,900	1.0%	3,200	1.1%
..Other Services	130,100	129,800	124,100	300	0.2%	6,000	4.8%
Government	461,300	454,300	441,700	7,000	1.5%	19,600	4.4%
.Federal Government	33,900	33,700	32,800	200	0.6%	1,100	3.4%
.State Government	96,700	96,200	92,700	500	0.5%	4,000	4.3%
..State Government Educational Services	53,600	53,100	51,500	500	0.9%	2,100	4.1%
.Local Government	330,700	324,400	316,200	6,300	1.9%	14,500	4.6%
..Local Government Educational Services	230,500	222,300	220,100	8,200	3.7%	10,400	4.7%